

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**FACT SHEET**

**AUTHORIZATION TO RENEW LEGAL ENTITY AGREEMENT WITH  
GOLDEN STATE HEALTH CENTERS, INC. DBA SYLMAR HEALTH AND  
REHABILITATION CENTER  
(SUPERVISORIAL DISTRICT 3)**

**REQUEST:**

Authorization to renew the Legal Entity (LE) Agreement with Golden State Health Centers, Inc. (Golden State), an Institutions for Mental Disease (IMD) Contractor, for services only at the Sylmar Health and Rehabilitation Center, for a probationary one-year period, from July 1, 2003 through June 30, 2004, and to delegate authority to the Director of Mental Health to prepare, sign, and execute future amendments to this LE Agreement during this contracted term. Renewal is contingent upon the provisions for the implementation of a new management team and the continuation of close monitoring. The Maximum Contract Amount for this Agreement shall not exceed the amount budgeted in the Department of Mental Health's (DMH) FY 2003-2004 Adopted Budget for IMD beds utilized.

**CONTRACTOR:**

The Agreement is between County and Golden State only at the Sylmar Health and Rehabilitation Center site located at: 12220 Foothill Boulevard, Sylmar, CA 91342 (Supervisory District 3). Golden State Health Centers, Inc. is an IMD State-licensed skilled nursing facility (SNF) that provides psychiatric care, psychosocial rehabilitation services, and a special treatment program (STP) geared to the needs of chronically mental ill residents.

Patients generally are admitted from a higher level of care, and the average length of stay is six to nine months. Services include, but are not limited to, psychiatric assessments, goal-oriented treatment plans, and general psychiatric services. STP services include, but are not limited to, those therapeutic services which provide chronically mentally ill adults with self-help skills, behavior adjustment, and interpersonal relationships.

Since 1987, Golden State has been contracting with the County as an IMD service provider for the provision of mental health services at two adjacent facilities in Sylmar, Foothill and Sylmar Health and Rehabilitation Centers. The Agreement has been renewed every three years until recently when all agreements with IMD contractors were renewed every two years.

Before the contract was to be renewed, effective July 1 2002, allegations and concerns raised by SEIU, Local 434B, about compromised patient care, lack of workplace safety, low staffing levels, high number of clients absent without leave, and neighborhood security were brought to the attention of the Board.

On June 25, 2002, the Board tentatively approved the renewal of the LE Agreement with Golden State for only six months, from July 1, 2002 through December 31, 2002, pending the findings of a joint investigation by both DMH and the Department of Health Services (DHS) into the allegations made by SEIU, Local 434B.

The preliminary findings of the initial investigation into allegations against Golden State were submitted to the Board on October 17, 2002. The investigative report found that although both of Golden State's facilities, Foothill and Sylmar Health and Rehabilitation Centers had deficiencies, the extension of their Agreement for an additional six-month period was recommended and justified due to the chronicity and serious problems of the extremely challenging group of patients served and to allow additional time for DMH and DHS to monitor the implementation of corrective actions to these deficiencies.

On December 10, 2002, the Board approved a six-month extension of the LE Agreement with Golden State, January 1, 2003 through June 30, 2003, and its two SNF/IMD facilities in Sylmar. DMH stated that the additional time would allow uninterrupted services for Golden State's patients who exhibit poor impulse control and allow DMH and DHS to "monitor the progress and improvement in the areas related to patient care, workplace safety and neighborhood security and to recommend whether or not to continue contracting with Golden State."

#### **INTENT/JUSTIFICATION:**

Board approval of this Agreement for a one-year probationary period under close monitoring by DHS and DMH and provisional status will allow for continuous, uninterrupted services to severely and persistently mentally ill adults residing at only the Sylmar Health and Rehabilitation Center SNF site, while Golden State implements a new management team and recommended changes.

Since December 2002, DMH's IMD Administration-Long Term Care Program has stationed a licensed clinician on site to monitor the quality of care at both Golden State facilities. A team comprised of DMH, DHS Audit and Compliance, Health Facilities, and State Department of Mental Health (SDMH) representatives monitored staffing levels at both facilities between December, 2002, and February, 2003, and determined that the resident care and program staffing levels were in compliance during the review period. On March 7 and 8, 2003, DMH, DHS, and SDMH conducted a joint site review to both

facilities to investigate allegations regarding compromised patient care, workplace safety, neighborhood security, staffing/supervision, and elopements. Additionally, on April 1 to 3, 2003, DMH staff conducted program reviews for compliance with corrective actions. The findings from those March and April site and program reviews summarized that if DMH decided to continue to contract with Golden State at either or both facilities, and for all contracted IMD facilities, lines of communication with appropriate agencies should be established and monitoring strengthened; contracts should require training in every IMD facility in management of assaultive behavior and elopements; and that all critical incidents be reported to the appropriate agency regardless of payor source.

DMH and DHS has continued to closely monitor Golden State's progress in the areas of resident care, workplace safety, neighborhood security, staffing/supervision, and elopements. Based on the findings of all of the site reviews conducted, DMH proposes that it would be beneficial to have DMH clients served only at Golden State's Sylmar facility provided that a qualified, new management team implemented appropriate changes. Additionally, DMH recommends that the contract with Golden State's other adjacent facility, Foothill Health and Rehabilitation Center, in Sylmar not be renewed at this time.

DMH is arranging appropriate clinical placement for DMH clients currently placed at Golden State's Foothill facility to ensure that placements at other IMD SNFs are completed before the contract with the Foothill site expires on June 30, 2003.

#### **CONTRACTING PROCESS:**

With Board approval, DMH will renew this LE Agreement with Golden State with only the facility dba Sylmar Health and Rehabilitation Center for a probationary one-year period under a provisional status that a qualified, new management team operate that contracted facility. The renewal of this LE Agreement with only the one facility will allow for the continued and uninterrupted services to chronically and severely mentally ill clients residing in that IMD SNF.

MJS:RK:KT:PEP